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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

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STATE TREASURER

December 2007

***Special Notice to IFTA Carriers
Rate Change and Inventory Report for Biodiesel Fuel
Effective January 1, 2008***

Effective January 1, 2008, the fuel tax rate for any blend of undyed biodiesel fuel will be 15 cents per gallon. This change in tax rate is based on the statutory requirements in the Motor Carrier Fuel Tax Act (P A 119 of 1980) MCL 207.212(8).

Beginning with the IFTA return for the 1st quarter of 2008, due April 30, 2008, the rates for both diesel and biodiesel fuel will be the same; however, you should continue to complete a separate schedule (form IFTA-101) for biodiesel fuel use.

Inventory Report for IFTA Carriers With Undyed Biodiesel Fuel Storage

Section 10 of the Motor Fuel Tax Act requires that when a rate of tax imposed by the Act is increased, the rate of tax applies to certain motor fuel held in storage. MCL 207.1010

All IFTA carriers with tax-paid bulk storage of **undyed biodiesel** blends of 5% or higher as of December 31, 2007 must complete the enclosed Alternative Fuels Inventory Report for End Users (form 4615) and return it to the address on the report.

All undyed biodiesel blends of 5% or higher that are in bulk storage, including transport trucks, at the close of business on December 31, 2007 must be included on the report. If you do not maintain undyed biodiesel blends of 5% or higher in storage, mark the box provided on the form and return it to the address on the front of the return.

Bulk Storage of Ethanol Blends

If you maintain bulk storage of an ethanol blend containing 70% - 99% ethanol for smaller vehicles you must also complete the section of the Inventory Report form for Gasohol. **Ethanol blends are not reported on the IFTA return.**

Your inventory report form with payment, if applicable, must be postmarked by January 22, 2008.

If you have any questions concerning the Inventory Report form, please call the Customer Contact Division, Special Taxes Section at (517) 636-4600.

